

# REPowerEU chapters in recovery and resilience plans

2022/0164(COD) - 14/02/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 535 votes to 63, with 53 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulation (EU) 2021/1060, Regulation (EU) 2021/2115, Directive 2003/87/EC and Decision (EU) 2015/1814.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

## *REPowerEU chapter to be included in recovery and resilience plans*

The amending regulation provides that EU countries applying for additional funds through a modified recovery and resilience plan should be required, after the entry into force of this proposal, to include measures to increase energy security, produce clean energy and diversify energy supplies, as provided for in the EU REPowerEU plan.

Recovery and resilience plans should, *inter alia*:

- explain how the REPowerEU chapter contributes to **addressing energy poverty**, including, where relevant, giving adequate priority to the needs of those affected by energy poverty, as well as to the reduction of vulnerabilities during the coming winter seasons;
- explain how the measures in the recovery and resilience plan are expected to contribute to or address the challenges of the **green transition, including biodiversity**, and explain whether these measures amount to at least **37%** of the total recovery and resilience plan;
- indicate whether the measures in the recovery and resilience plan include cross-border or multi-country projects, and indicate whether the total costs of measures with a cross-border or multi-country dimension or effect amount to **at least 30%** of the estimated costs of the REPowerEU chapter.

## *Revenue from the emissions trading system under Directive 2003/87/EC*

**EUR 20 billion** in current prices, obtained in accordance with Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Union, should be made available as **additional non-repayable financial support** under the Facility for implementation under this Regulation to increase the resilience of the Union's energy system through a decrease of dependence on fossil fuels and diversifying energy supplies at Union level.

The allocation share of the amount available for each Member State should be calculated on the basis of indicators set out in a methodology taking into account, for each Member State: (i) population; (ii) the inverse proportion of GDP per capita; (iii) the price deflator of gross fixed capital formation; (iv) the share of fossil fuels in gross inland energy consumption.

Within the limits of the resources allocated to them, Member States should be able to apply for support from programmes supported by the European Regional Development Fund (ERDF), the European Social Fund plus (ESF) and the Cohesion Fund.

## ***Reforms and investments***

The measures in the REPowerEU chapter should be either new reforms and investments, launched from 1 February 2022, or the reinforced part of the reforms and investments foreseen in the Council implementing decision already adopted for the Member State concerned.

The reforms and investments should in particular aim at:

- improving energy infrastructure and facilities to meet immediate security of supply needs for gas, including LNG, notably to enable diversification of supply in the interest of the Union;
- boosting the energy efficiency of buildings and critical energy infrastructure;
- addressing energy poverty;
- incentivising reduction of energy demand;
- removing internal and cross-border bottlenecks in energy transmission and distribution, supporting electricity storage and accelerating the integration of renewable energy sources, and supporting zero-emission transport and its infrastructure, including railways;
- supporting the above objectives through accelerated re-skilling of the workforce in green and related digital skills as well as through support to value chains in critical raw materials and technologies related to the green transition.

The new rules should cover measures retroactively from **1 February 2022**, with some exceptions.

The principle of ‘**do no significant harm**’ should apply to the REPowerEU chapters. Temporary exemptions should be granted to measures that address immediate EU energy security concerns, minimise potential environmental damage and do not jeopardise the EU's climate objectives.

## ***REPowerEU pre-financing***

The recovery and resilience plan containing a REPowerEU chapter may be accompanied by a request for pre-financing. The Commission may make up to two pre-financing payments for a total amount of up to 20 % of the additional funding requested by the Member State concerned to finance its REPowerEU chapter.

## ***Transparency with regard to final recipients***

Each Member State should create an easy-to-use public portal containing data on the **100 final recipients** receiving the highest amount of funding for the implementation of measures under the Facility. Member States should update those data twice a year.

## ***Exceptional measures for the use of the Funds to support SMEs***

As an exceptional measure strictly necessary to address the energy crisis resulting from the impact of Russia's war of aggression against Ukraine, the ERDF may support the financing of working capital in the form of grants to SMEs particularly affected by energy price increases, the ESF may support vulnerable households to help them meet their energy consumption costs. Operations to provide support may also be financed by the Cohesion Fund.